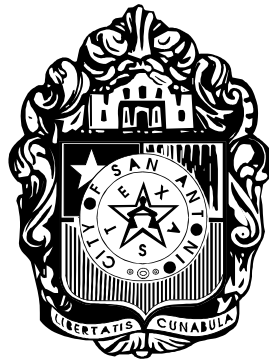


***DRAFT***

**CITY OF SAN ANTONIO, TEXAS  
Neighborhood Action Department**



**Hallie Heights  
Proposed Tax Increment Reinvestment Zone  
Preliminary Reinvestment Zone Financing Plan  
FY 2005 Annual Report**

**Participation Levels of City (90%), and Bexar County  
(50% of Operation and Maintenance portion of tax rate)**

**December 31, 2005**

## **Hallie Heights Subdivision Tax Increment Reinvestment Zone – Plan of Finance**

### **Introduction**

The proposed Hallie Heights Tax Increment Reinvestment Zone is located in the southwest section of the City of San Antonio, on the northwest corner of Southwest Loop 410 and Ray Ellison Drive. The development is in the Southwest Independent School District and encompasses approximately 35.010 acres. The 2004 base value is \$1,120,849, which projects captured tax incremental value is \$18,481,710 net of exemptions. The project includes the construction of 184 single-family homes with an average sales price of \$102,000. The total public infrastructure capital cost is estimated at \$2,198,593. The Developer is HLH Development L.P. who has experience in the development and construction of such projects. Performance and payment bonds will be provided in connection with public infrastructure improvements associated with the project. The life of the Tax Increment Reinvestment Zone (TIRZ) is projected to be 19.82 years with the TIRZ being in existence through fiscal year 2024.

### **Public Infrastructure**

The public infrastructure improvements and related capital costs include site work, storm water pollution prevention, streets, drainage, sewer, water, utilities, platting/zoning fees, street lights, street signs, drainage fees, park fees, drainage study, engineering expenses, geotechnical, phase one environmental, contingency, construction management, legal and formation fees. The capital cost is estimated at \$2,198,593.

### **Plan of Finance**

The 2004 base value of the TIRZ is \$1,120,849. Construction of 184 single family homes will be taxed to produce a combined TIF revenue specified on Page 7 of the Plan of Finance to pay for the capital costs. The public and private improvements commence in tax year 2005 with collections commencing in tax year 2005 (fiscal year 2006). Captured values grow from \$3,793,710 in tax year 2005 to \$18,481,710 in tax year 2023 net of exemptions.

The taxing jurisdictions and tax rate per \$100 valuation utilized in the analysis include: City of San Antonio at \$0.520686 and Bexar County at \$0.143704. This produces annual revenues of \$24,574 in fiscal year 2006 and fiscal year 2007, \$77,433 in fiscal year 2008, \$119,721 each fiscal year from 2009 through fiscal year 2024. No growth in tax rate or values is assumed.

The cost of the public infrastructure improvements is incurred by the Developer and reimbursed over time from revenues produced by the TIRZ. In addition to the capital costs, other costs to be reimbursed from TIRZ revenues include the City's Financial Advisor and certain City of San Antonio and/or Administrator fees. Revenues derived

from the TIRZ will be used to pay costs in the following order of priority of payment: (i.) to the payment of eligible costs incurred by the Governmental Entities Participating in the TIRZ; (ii.) to all other ongoing administrative fees pertaining to the City; and (iii.) to the Developer, on an annual basis, as TIRZ revenues are available for such reimbursements.

The proposed Developer's capital cost for public infrastructure improvements is \$2,198,593. Revenues from the TIRZ are used to reimburse this amount plus financing costs if any on the unpaid balance at a rate of 4.54%. It is projected that the Developer would not receive any payments until fiscal year 2006. The earliest projected payoff of the capital cost would occur in fiscal year 2024 and includes an estimated Developer contribution of \$1,196,221.

The TIRZ collections for this project shall not extend beyond September 30, 2024 and may be terminated earlier once each taxing entity has deposited its respective amount described in the table below.

TABLE – TIRZ Contributions		
Participating Taxing Entities	Maximum Dollar Contribution	Max. Length of Contribution
City of San Antonio	\$ 2,537,905	September 30, 2024
Bexar County	\$ 700,433	September 30, 2024
<b>Maximum Reimbursable Amt.</b>	<b>\$ 3,238,338</b>	

### **Limited Obligation of the City or Participating Governmental Entities**

The City and Participating Governmental Entities shall have a limited obligation to impose, collect taxes, and deposit such tax receipts into a TIRZ fund so long as the project is viable and capital costs incurred by the Developer have not been fully paid. The TIRZ collections for this project shall not extend beyond September 30, 2024, and may be terminated prior to September 30, 2024, upon payment of public improvements capital costs incurred by the Developer totaling \$2,198,593 or for the failure of the Developer to perform. The City may elect to terminate a TIRZ if 50% of the housing and/or commercial construction projected for years 1, 2, and 3 from date the TIRZ is created is not complete. Only housing and/or commercial components count towards completion of the construction schedule, infrastructure construction does not. Furthermore, any default of the terms contained in the Interlocal and/or Development Agreements that is not cured within the timeframe contained in the Interlocal and/or Development Agreements may also result in Zone Termination.

Any costs incurred by the Developer are not and shall never in any event become general obligations or debt of the City or any of the Participating Governmental Entities. The public improvement infrastructure costs incurred by the Developer shall be paid solely from the TIRZ revenues and shall never constitute a debt, indebtedness or a pledge of the faith and credit or taxing power of the State, the City, the Participating Governmental Entities, any political corporation, subdivision, or agency of the State.

**Developer's Risk**

All financing, developmental costs, construction costs, improvements, damages, or other costs incurred with respect to this project are at the sole risk of the Developer. Neither the City nor any Participating Governmental Entity shall incur any risk whatsoever associated with the development, construction, completion or failure of the project. In the event that the project fails, is abandoned by the Developer or for any reason is not completed, the City shall have the right to terminate the TIRZ and any funds remaining in the TIRZ account shall be distributed to the City and Participating Governmental Entities on a pro rata basis in accordance with each entity's participation level.

**Compliance**

The Developer shall comply with all federal, state and local laws, rules and regulations including the 2004 TIF Guidelines.

**Reporting**

The Developer shall submit a project status report and financial report on a quarterly basis (January 15<sup>th</sup>, April 15<sup>th</sup>, July 15<sup>th</sup> and October 15<sup>th</sup>) to the City.

**Inspection**

The City, Participating Governmental Entities, or Administrator shall have the right to inspect the project site or sites and the premises of the Developer without notice.

**City of San Antonio**  
**Hallie Heights - TIF Reinvestment Zone**  
**Summary Fact Sheet**  
**December 9, 2004**

Agenda: Preliminary Finance Plan

Plan of Finance:	Site Area	35.010	Acres
	Single Family Development	35.010	Acres

Base Value (2004) In City	\$	1,120,849
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*Average Single Family Home Price Per Home	\$	102,000
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Project Year:

Phase I	2004	40	Single Family Homes
Phase II	2005	80	Single Family Homes
Phase III	2006	64	Single Family Homes
Total		<u>184</u>	

Experience of Housing Developer  
HLH Development LP,  
San Antonio, Texas

HLH Development LP was formed over 6 years ago.  
Harry Hausman is the principal operations officer of the partnership.  
SEDA Consulting Engineers, Inc. are the architect/engineers.  
HLH Development LP and SEDA Consulting Engineers, Inc. have completed the following projects:

- La Coste Heights, 57 homes, La Coste, TX
- Legend Oaks, 80 homes, San Antonio, TX
- Hunters Oaks, 15 homes, San Antonio, TX

Performance Bonds:	See Development Agreement
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Payment Bonds:	See Development Agreement
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Assumptions:	Captured Value	\$	18,481,710	
	Assessed Value Growth Factor		0.00%	
	Secondary Target Area		90.00%	Participation Level
	Collection Rate		97.50%	
	Estimated Total TIF Revenues	\$	2,042,117	
	Estimated TIF Life (12/9/2004 to 9/30/2024)		19.82	Years

\*Average single family home price provided by the Developer

## Hallie Heights - Tax Increment Reinvestment Zone

### Sources and Uses

#### Sources of Funds

TIF Revenues	\$ 2,042,117
Developer Contribution	\$ 1,196,221
<b>Total Sources of Funds</b>	<b>\$ 3,238,338</b>

#### Uses of Funds

	Phase I 2003 & 2004	Phase II 2005	Phase III 2006	Total Infrastructure Improvement
Begin Construction				
Single Family Homes	40	80	64	184
Site Work	\$ 25,003	\$ 29,849	\$ 10,549	\$ 65,401
Storm Water Pollution Prevention	\$ 7,300	\$ 8,715	\$ 3,080	\$ 19,095
Streets	\$ 263,603	\$ 314,699	\$ 111,219	\$ 689,521
Drainage	\$ 71,175	\$ 84,971	\$ 30,030	\$ 186,176
Sewer	\$ 89,060	\$ 106,323	\$ 37,576	\$ 232,959
Water	\$ 111,106	\$ 132,642	\$ 46,878	\$ 290,626
Electric	\$ 22,995	\$ 27,452	\$ 9,702	\$ 60,149
Platting/Zoning/Permits	\$ 19,700	\$ 7,700	\$ 7,700	\$ 35,100
Street Lights/Signs	\$ 20,002	\$ 23,879	\$ 8,439	\$ 52,320
Drainage Fees	\$ 16,400	\$ 16,400	\$ 16,400	\$ 49,200
Park Fees	\$ 16,000	\$ 16,000	\$ 16,000	\$ 48,000
<b>Hard Costs Total</b>	<b>\$ 662,344</b>	<b>\$ 768,630</b>	<b>\$ 297,573</b>	<b>\$ 1,728,547</b>
Drainage Study	\$ 13,200	\$ -	\$ -	\$ 13,200
Engineering/Surveying Fees	\$ 78,743	\$ 96,079	\$ 37,197	\$ 212,019
Geotechnical	\$ 9,500	\$ 2,500	\$ 2,500	\$ 14,500
Phase One Environmental	\$ 2,200	\$ -	\$ -	\$ 2,200
Contingency	\$ 33,777	\$ 46,118	\$ 17,854	\$ 97,749
Construction Management	\$ 30,399	\$ 34,588	\$ 13,391	\$ 78,378
Legal/Formation Expense	\$ 52,000	\$ -	\$ -	\$ 52,000
<b>Soft Cost Total</b>	<b>\$ 219,819</b>	<b>\$ 179,285</b>	<b>\$ 70,942</b>	<b>\$ 470,046</b>
<b>Total Public Improvements</b>	<b>\$ 882,163</b>	<b>\$ 947,915</b>	<b>\$ 368,515</b>	<b>\$ 2,198,593</b>
<b>Grand Total</b>	<b>\$ 882,163</b>	<b>\$ 947,915</b>	<b>\$ 368,515</b>	<b>\$ 2,198,593</b>
<b>Total Infrastructure</b>	<b>\$ 2,198,593</b>			
<b>Financing Cost @ 4.54%</b>	<b>\$ 679,745</b>			
<b>Total Payments to Hallie Heights</b>	<b>\$ 2,878,338</b>			
<b>Total Admin. Expenses</b>	<b>\$ 360,000</b>			
<b>Grand Total</b>	<b>\$ 3,238,338</b>			
<b>Project Financing Surplus (Shortage)</b>	<b>\$ 0</b>			

## Hallie Heights - TIF Reinvestment Zone

### Projected Tax Increment Revenue

Tax Year	Tax Increment Zone				City of San Antonio			Bexar County			Combined TIF Collections	Fiscal Year Ending
	Beginning Assessed Value	Annual Value of New Development	Projected Year-End Assessed Value	Projected Captured Value	Captured Taxable Value	Tax Rate Contribution	Tax Increments	Captured Taxable Value	Tax Rate Contribution *	Tax Increments		
2004	1,120,849		1,120,849	-	-	0.520686	-	-	0.140760	-	-	2005
2005	1,120,849	3,793,710	4,914,559	3,793,710	3,793,710	0.520686	19,259	3,793,710	0.143704	5,315	24,574	2006
2006	4,914,559	8,160,000	13,074,559	3,793,710	3,793,710	0.520686	19,259	3,793,710	0.143704	5,315	24,574	2007
2007	13,074,559	6,528,000	19,602,559	11,953,710	11,953,710	0.520686	60,685	11,953,710	0.143704	16,748	77,433	2008
2008	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2009
2009	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2010
2010	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2011
2011	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2012
2012	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2013
2013	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2014
2014	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2015
2015	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2016
2016	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2017
2017	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2018
2018	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2019
2019	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2020
2020	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2021
2021	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2022
2022	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2023
2023	19,602,559	-	19,602,559	18,481,710	18,481,710	0.520686	93,826	18,481,710	0.143704	25,895	119,721	2024
\$ 18,481,710					\$ 1,600,419			\$ 441,698			\$ 2,042,117	
Existing Annual Value Growth Factors												
Years				-	Participation Level		90.00%	Participation Level *		50.00%		
Thereafter				-	Tax Rate Growth Factor		0.00%	Tax Rate Growth Factor		0.00%		
Combined Compound Growth Rate				0.00%	Tax Rate Collection Factor		97.50%	Tax Rate Collection Factor		97.50%		

Notes:

\* Bexar County is participating at 50% of their Operation and Maintenance tax rate not the total tax rate

### Hallie Heights - TIF Reinvestment Zone Reimbursement for Public Improvements

	Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Expenses for Pub. Imp. Infrastructure	Admin. Exp.*	Interest on Deficit	TIF Fund Balance
1-Sep-05	2005	-	-	22,723	75,000	-	(97,723)
1-Sep-06	2006	24,574	24,574	45,445	15,000	(4,437)	(138,031)
1-Sep-07	2007	24,574	49,148	45,445	15,000	(6,267)	(180,169)
1-Sep-08	2008	77,433	126,581	58,445	15,000	(8,180)	(184,361)
1-Sep-09	2009	119,721	246,302	91,855	15,000	(8,370)	(179,865)
1-Sep-10	2010	119,721	366,023	91,721	15,000	(8,166)	(175,031)
1-Sep-11	2011	119,721	485,744	91,497	15,000	(7,946)	(169,753)
1-Sep-12	2012	119,721	605,465	91,181	15,000	(7,707)	(163,921)
1-Sep-13	2013	119,721	725,186	90,775	15,000	(7,442)	(157,417)
1-Sep-14	2014	119,721	844,907	90,278	15,000	(7,147)	(150,121)
1-Sep-15	2015	119,721	964,628	89,690	15,000	(6,815)	(141,906)
1-Sep-16	2016	119,721	1,084,349	89,012	15,000	(6,443)	(132,639)
1-Sep-17	2017	119,721	1,204,070	88,242	15,000	(6,022)	(122,182)
1-Sep-18	2018	119,721	1,323,791	87,382	15,000	(5,547)	(110,390)
1-Sep-19	2019	119,721	1,443,512	87,431	15,000	(5,012)	(98,112)
1-Sep-20	2020	119,721	1,563,233	86,344	15,000	(4,454)	(84,190)
1-Sep-21	2021	119,721	1,682,954	86,166	15,000	(3,822)	(69,457)
1-Sep-22	2022	119,721	1,802,675	84,852	15,000	(3,153)	(52,741)
1-Sep-23	2023	119,721	1,922,396	84,447	15,000	(2,394)	(34,861)
1-Sep-24	2024	119,721	2,042,117	66,906	15,000	(1,583)	1,371
1-Sep-25	2025						
1-Sep-26	2026						
		\$ 2,042,117		\$ 1,569,839	\$ 360,000	\$ (110,906)	

\* Annual Administrative Expenses from FY 2006- FY 2024 includes a \$2,000 annual administrative expense for Bexar County.



## Hallie Heights - TIF Reinvestment Zone Combined Participation

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	TIF Revenues	TIF Expenses
City of San Antonio	0.5785400	90%	0.520686	78.37%	\$ 1,600,419	\$ 2,537,905
Bexar County	0.2874070	50%	0.143704	21.63%	\$ 441,698	\$ 700,433
Total	0.8659470		0.664390	100.00%	\$ 2,042,117	\$ 3,238,338

## Hallie Heights - TIF Reinvestment Zone Projected New Value of Tax Increment

Tax Year	Phase I 2005	Phase II 2006	Phase III 2007	Total	Cumulative Total	Fiscal Year
2001				\$ -	\$ -	2002
2002				\$ -	\$ -	2003
2003				\$ -	\$ -	2004
2004				\$ -	\$ -	2005
2005	\$ 3,793,710			\$ 3,793,710	\$ 3,793,710	2006
2006		\$ 8,160,000		\$ 8,160,000	\$ 11,953,710	2007
2007			\$ 6,528,000	\$ 6,528,000	\$ 18,481,710	2008
2008				\$ -	\$ 18,481,710	2009
2009				\$ -	\$ 18,481,710	2010
2010				\$ -	\$ 18,481,710	2011
2011				\$ -	\$ 18,481,710	2012
2012				\$ -	\$ 18,481,710	2013
2013				\$ -	\$ 18,481,710	2014
2014				\$ -	\$ 18,481,710	2015
2015				\$ -	\$ 18,481,710	2016
2016				\$ -	\$ 18,481,710	2017
2017				\$ -	\$ 18,481,710	2018
2018				\$ -	\$ 18,481,710	2019
2019				\$ -	\$ 18,481,710	2020

\$ 3,793,710	\$ 8,160,000	\$ 6,528,000	\$ 18,481,710
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\$ -	Commercial New Value
\$ 18,481,710	Residential New Value
\$ -	Multi Family New Value
\$ 18,481,710	Total New Value

# **Hallie Heights - TIF Reinvestment Zone**

## **Projected Uses of Tax Increment Construction Completed Cost**

Tax Year	Phase I 2004	Phase II 2005	Phase III 2006	Total
2002				\$ -
2003	\$ 882,163			\$ 882,163
2004		\$ 947,915		\$ 947,915
2005			\$ 368,515	\$ 368,515
2006				\$ -
2007				\$ -
2008				\$ -
2009				\$ -
2010				\$ -
2011				\$ -
2012				\$ -
2013				\$ -
2014				\$ -
2015				\$ -
2016				\$ -
2017				\$ -
2018				\$ -
2019				\$ -
2020				\$ -
	<u>\$ 882,163</u>	<u>\$ 947,915</u>	<u>\$ 368,515</u>	<u>\$ 2,198,593</u>

## Hallie Heights - TIF Reinvestment Zone

### Projected Tax Increment Revenue

#### Principal and Interest Requirements

Date	Principal	Interest Rate	Interest	Semi-annual Debt Service	Annual Debt Service
03/01/01				-	
09/01/01	-	4.54%		-	-
03/01/02	-			-	
09/01/02		4.54%		-	-
03/01/03	-			-	
09/01/03		4.54%		-	-
03/01/04	-			-	
09/01/04		4.54%		-	-
03/01/05	-		-	-	
09/01/05	-	4.54%	22,723	22,723	22,723
03/01/06	-		22,723	22,723	
09/01/06	-	4.54%	22,723	22,723	45,445
03/01/07	-		22,723	22,723	
09/01/07	-	4.54%	22,723	22,723	45,445
03/01/08	-		22,723	22,723	
09/01/08	13,000	4.54%	22,723	35,723	58,445
03/01/09	-		22,428	22,428	
09/01/09	47,000	4.54%	22,428	69,428	91,855
03/01/10	-		21,361	21,361	
09/01/10	49,000	4.54%	21,361	70,361	91,721
03/01/11	-		20,248	20,248	
09/01/11	51,000	4.54%	20,248	71,248	91,497
03/01/12	-		19,091	19,091	
09/01/12	53,000	4.54%	19,091	72,091	91,181
03/01/13	-		17,888	17,888	
09/01/13	55,000	4.54%	17,888	72,888	90,775
03/01/14	-		16,639	16,639	
09/01/14	57,000	4.54%	16,639	73,639	90,278
03/01/15	-		15,345	15,345	
09/01/15	59,000	4.54%	15,345	74,345	89,690
03/01/16	-		14,006	14,006	
09/01/16	61,000	4.54%	14,006	75,006	89,012
03/01/17	-		12,621	12,621	
09/01/17	63,000	4.54%	12,621	75,621	88,242
03/01/18	-		11,191	11,191	
09/01/18	65,000	4.54%	11,191	76,191	87,382
03/01/19	-		9,716	9,716	
09/01/19	68,000	4.54%	9,716	77,716	87,431
03/01/20	-		8,172	8,172	
09/01/20	70,000	4.54%	8,172	78,172	86,344
03/01/21	-		6,583	6,583	
09/01/21	73,000	4.54%	6,583	79,583	86,166
03/01/22	-		4,926	4,926	
09/01/22	75,000	4.54%	4,926	79,926	84,852
03/01/23	-		3,223	3,223	
09/01/23	78,000	4.54%	3,223	81,223	84,447
03/01/24	-		1,453	1,453	
09/01/24	64,000	4.54%	1,453	65,453	66,906
03/01/25	-		-	-	
09/01/25	-	4.54%	-	-	-
03/01/26	-		-	-	
09/01/26	-	4.54%	-	-	-
03/01/27	-		-	-	
09/01/27	-	4.54%	-	-	-
<b>\$</b>	<b>1,001,000</b>		<b>\$ 568,839</b>	<b>\$ 1,569,839</b>	<b>\$ 1,569,839</b>